

# Reductio ad Absurdum

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Christian Garland, *Public Seminar*, November 6, 2017

Neoliberalism remains the dominant economic orthodoxy in the US and UK, as well as in many other places following the Great Recession, but it is, in large part, reaching its own critical limits, with political resistance being just part of these. The nature of this four-decades-long project is heavy with foreboding, but the *crisis of work*, now forecloses any feasible medium or long-term future for neoliberal market orthodoxy. This article aims to provide a short critical overview of the rapidly changing nature of 'work' in the UK, and how, aided by conservative policy maneuvers, neoliberalism has given rise to what is called bogus 'self-employment', and the fractional, ultra-precarious phenomenon of zero-hours contracts.

Bogus 'self-employment', takes two main forms: the first is known as the 'gig economy,' and involves companies such as Uber, Deliveroo, and Hermes making use of the labor of those who are classified as 'independent contractors', rather than employees. The fact that these independent contractors earn less than the minimum wage is thus framed as being their own responsibility, and not the organization's. This rationale has faced legal challenges, however, and an 'independent contractor' of courier CitySprint took the company to court, arguing he was entitled to be regarded as an employee and to receive employee benefits as such. The court agreed and ruled in his favor.<sup>[i]</sup> The other form bogus 'self-employment' takes in the contemporary UK is the re-framing of *chronic underemployment* as 'record levels of employment.' Here, the self-employment in question consists merely of having an eBay account, or piecework selling catalogues. These gigs are counted as 'employment', with the 'owner of the business' being classified as a 'sole trader'.

Both versions of bogus 'self-employment' are bogus in that they seek to avoid the costs and liabilities of employers by shifting them onto the individual. They apply the label of employment to a relation of dependence that is substantially different from the one that has historically taken on that name. Indeed, piecework and 'independent contracting' describe a fundamentally different type of labor relation than has typically been named by "employment." For the 'independent contractors' of Deliveroo and Uber, receiving even the minimum wage is avoided and circumvented by holding the 'contractor' responsible for their own micromanaged (self)-exploitation. The category of 'self-employment' in the UK, is included in figures under 'in employment', and has increased exponentially in the last six years, coincidentally the same time period as the Conservative Party has been in government in one form or another.

Bogus 'self-employment' is, of course, the disingenuous claim by successive governments that a sometime benefit claimant is self-employed merely because they have an eBay account, or sell catalogues. This view fails to add that the 'sole trader', who is 'running their own business', will very likely have to rely on benefits of some kind to supplement their extremely erratic income. The same contextual fallacy of counting this sort of work as 'employment', and thus in the official employment total of the Office of National Statistics (ONS), is very much in evidence, with this misleading 'small print' 'record numbers in employment'.

This ideological spin here concerns a substantial reframing of what it means to be 'in employment.' It also finds support in zero-hours contracts, situations in which the employee has a contract guaranteeing no set hours from week to week, where hours are almost always set by a third-party agency – outsourcing companies like [StaffLink](#) being just one of the biggest and most notorious. Such contracts remain, it should be added, wholly variable according to the whims of the employer.<sup>[ii]</sup>

Writing in *Capital* Vol. 1 in 1857, Marx noted that such an arrangement is to "find this price, i.e., the money-value of a given quantity of labor."<sup>[iii]</sup> So far as it is needed at all, work thus becomes an intangible and fluid unknown, far beyond any standardized model of Capital and wage labor. For instance, many big employers in the contemporary UK favor zero-hours contracts. The sports apparel and equipment retailer Sports Direct had, in fact, until only very recently, at least 90% of its workforce on these ultra-precarious contracts.<sup>[iv]</sup> For McDonald's

operations in the UK, the figure is 80% of its total workforce, as it is for UK pub chain JD Wetherspoon.<sup>[v]</sup> All three organizations — at least one of which is known to prefer to ‘not directly employ’ its workforce — have made public efforts to offer those on zero-hours contracts ‘regular hours’, although the reasons for this remain, to say the least, questionable.

McDonald’s has been arguably the most aggressively vocal in claiming that those on these contracts “love the flexibility” these arrangements afford.<sup>[vi]</sup> However, it should be kept in mind that the primary reason for these ultra-precarious contracts being utilized is that McDonald’s, Sports Direct, and JD Wetherspoon prefer them insofar as they fragment the workforce, completely allowing such big employers to keep workers in a continuous state of anxiety, struggling to keep their jobs, and allowing the employer to replace them instantly should they object.

Capital, it should be remembered, is a social relation based on the need to drive down the cost of labor, and in so far as possible, to do away with it, even if, paradoxically, Capital needs labor to exist. Zero-hours contracts make the terms of employment completely variable, in a state of indefinite and continuous flux. This is termed ‘flexibility.’ Flexibility does exist for the (non) employer, in whose workplace the (non) employee works, and for the third or fourth party agency, who is *technically* the employer, but it certainly does not exist for the (non) employee, for whom it amounts to the simple choice: “Take it or leave it.” As such, these ultra-precarious work contracts take the “simple transformation of form, into laws of wages” and compress those laws further into their own form of time-discipline, in which wages are reduced — along with all other employer costs — by the constantly varying demands of Capital.<sup>[vii]</sup>

Employment of this kind may be ‘only a minority of the total UK workforce’ — 1.8 million in August 2014 of “all those in employment” — according to official figures and 1.7 million as of May 2017.<sup>[viii]</sup> But in this sort of work, one observes a *general trend* for the Capital-labor relation to be skewed completely to the side of Capital, making labour *wholly dependent on it*, and putting labor in a state of uncertain and precarious limbo.<sup>[ix]</sup> Here, the usual privilege of exploitation becomes the illusive and draining individualized struggle for subsistence previously observable in much earlier cases, ‘casual day labor’ being the most obviously apparent.

As the traditional terms of work become more and more obsolete and the privilege of exploitation, that is, wage labor, becomes more uncertain and redrawn along the individualized lines outlined here, those struggling to subsist on zero-hours contracts, or in bogus self-employment, will frequently have to supplement their earnings with welfare benefits of some kind. In particular, they might rely on assistance from the government’s [Housing Benefit](#) organization, which, it must be said, is ultimately a landlord subsidy.

The current ramping up of punitive welfare policies in the UK social security system is very much part of one of neoliberalism’s core ideological tenets: ‘welfare reform.’ This makes what was once mostly universal into something conditional. Conditional, that is, on what the State considers ‘desirable behaviour’ (compliance). This throws claimants — many of who are also working — into a war of attrition to avoid arbitrary ‘sanction’ by the Job Centre, the NGO in charge of managing employment assistance benefits. Further, this means the loss of benefits for perceived infractions of the ‘contract’ they ‘agree to’ in claiming what are effectively wage supplements from the punitive and severely limited welfare state, an ‘agreement’ over which they have no control and have to ‘accept’ if they want to get anything at all. Thus, for anyone struggling to make ends meet with an erratic and limited income from piecework, or what they can sell on eBay, there awaits a punitive welfare system, in which the chronically *underemployed* will face all of the performative demands made of the unemployed, whilst trying to hold down a — poorly-paid, part-time — job.<sup>[x]</sup>

The Department of Work and Pensions (DWP), the government department charged with administering what the State defines as ‘subsistence’ benefits, has previously imposed ‘sanctions.’ But, over the last 6 years or so, under the Conservative-led coalition (2010-2015), David Cameron’s own very brief government (2015-16), and Theresa May’s current faltering administration, it has been used on a mass scale against claimants (hundreds of thousands), mostly those who are unemployed — resulting in destitution. Indeed, it is not at all difficult to make the correlation with the geometric increase in the use of food banks despite repeated disingenuous government

denial that there is any link between that rise and its policies.<sup>[xi]</sup>

In the austerity-scarred UK of 2017, there is also the attempted roll-out of the flagship piece of ‘welfare reform’ legislation of the Conservative government, ‘Universal Credit,’ which is better understood as Universal Conditionality, because that is the only thing universal about it.<sup>[xii]</sup> The term ‘conditionality’ as applied to ‘welfare reform’ is well known in the US and UK, but in Continental Europe also, albeit in more euphemistic terms, such as ‘Flexicurity’, but is better understood as *precarity*. The failed and failing policy of Universal Credit was first announced in 2010 and ‘is expected’ to be finally in operation nationally by 2022. At the moment, it only exists in a minority of ‘test areas’ around the country and is causing social suffering and misery wherever it exists. People must wait 6 weeks from their initial claim for any money. The policy additionally seeks to make Housing Benefit ‘conditional’, so perhaps unsurprisingly, everywhere where it exists so far has also seen a massive increase in rent arrears and evictions.

Under the current regime, workers in need of assistance, those already struggling, are further [reduced to absurdity](#). Indeed, the application of these neoliberal policies to the UK labor and welfare policy logically entails the absurd, no-win precarity for a substantial number of the total UK workforce. In total, this amounts to 8 million people. Of course, the cynical state and market ideology presents this shift as one towards flexibility (ultra-precarious contracts especially zero-hours contracts) and (bogus) self-employment. Meanwhile, should Universal Credit, the flagship ‘welfare reform’ covered here, ever go live across the UK, it will throw the same people into crisis, as it is doing wherever it exists in trial areas. Under the current paradigm, the underemployed worker faces discipline and punishment — to borrow the name of a famous book — *for not working enough*, and with the ‘conditionality’ of having to both go to work at their part-time job(s). They must also go to the Job Centre whenever it is demanded, in addition to “looking for more or better paid work,” to quote the legislation. Workers are thus under implicit threat of ‘sanction,’ that is, of losing their wage supplement comprised of subsistence benefits. This means that in addition to a limited income from work or ‘self-employment,’ under this legislation, the underemployed are being held responsible for underemployment. The same cannot be said for their employers. This is class warfare from above.

*Christian Garland teaches at Queen Mary, University of London and has research interests including Frankfurt School Critical Theory and the rapidly changing nature of work and how this can be said to embody social relations of atomization and individualization: the re-composition and restructuring of the Capital-labour relation itself.*

## Footnotes

[i] [‘Courier wins holiday pay in key tribunal ruling on gig economy’](#), Butler, Sarah and Osborne, Sarah in *The Guardian* 6 January 2017

[ii] The employer being the third or fourth party agency, the workplace in which the work is performed not “directly employing” the non-employees whose labour is used, non-employees frequently not even seeing the minimum wage in their pay, that being expended in costs by the third-party agency, so *technically* it is paid, just not to the employee. A company featured on the [BBC’s Panorama: What Britain wants: work](#) responded to its use of zero-hours contracts featured in the program, by saying that it “doesn’t directly employ” those same people who work for it who are *employed* by a third party contractor.

[iii] Marx, *ibid*.

[iv] [‘Sports Direct faces multimillion-pound claim from zero-hours contract workers’](#), Butler, Sarah. *The Guardian* 3<sup>rd</sup> February 2015

[v] [‘JD Wetherspoon to offer ‘guaranteed hour contracts’ to zero hours workers’](#), Sandhu, Serina i News: The Essential Daily Briefing, 12 September 2016

[vi] [‘McDonald’s to offer fixed hours contracts for all its 115,000 UK employees’](#), Rodionova, Zlata. 26 April 2017

[vii] Marx, *ibid.*

[viii] Office for National Statistics (ONS) 'Release: Contracts with No Guaranteed Hours, Zero Hour Contracts', 2014, 25 February 2015. See also: Office for National Statistics (ONS) 'Article: Contracts that do not guarantee a minimum number of hours: May 2017'. 'Number of zero-hours contracts stalls at 'staggering' 1.7m', Monaghan, Angela, *The Guardian* 11 May 2017

[ix] 'The side of Capital' can also be understood as institutions in the public sector operating according to its imperatives of cost-cutting, and 'generating revenue'. In the UK, the public healthcare system, the National Health Service (NHS), which remains free at the point of use, operates under such imperatives, 'internal markets' 'delivering' what the public sector supposedly can't, meaning besides hospital closures and pay freezes, a form of privatization is covertly being imposed. In British universities, as recently highlighted by the Autonomy Institute and disclosed by the Universities and Colleges Union (UCU) 53% of all faculty work on 'fixed-term contracts', just as job descriptions for 'permanent' posts always demand candidates should aim to "secure external income" for the university.

[x] [Explanatory memorandum to the universal credit regulations 2013](#).

[xi] 'Food bank use could be highest in 12 years, say Trussell Trust', BBC News 8 November 2016.

[xii] 'Universal credit is a social policy disaster in the making', Theti, Priya. *The Guardian* 25 September 2017.